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January 19, 2001

VIA FACSIMILE AND BY MAIL
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FAA-03-14246-9

Mr. Kevin Willis
U.S. Department of Transportation
Office of Airport Safety and Standards
800 Independence Avenue, S.W.
Room 617
Washington, D.C. 20591

03 JAN 17 AM 11:46
DEPT OF TRANSPORTATION

Re: New Orleans Lakefront Airport
Preliminary Application -
Airport Privatization Pilot Program

Dear Mr. Willis:

You will find attached a copy of the advisory opinion from the Attorney General's Office of the State of Louisiana recognizing the authority of the Board of Commissioners of the Orleans Levee District to lease the entirety of the New Orleans Lakefront Airport. As you will note from a review of this opinion, the only restriction contained in the applicable statutes is that the Airport must be kept open for public use. The draft lease submitted to eligible bidders already provides that the Airport must remain open for public use, and this definitely is the intention of my client.

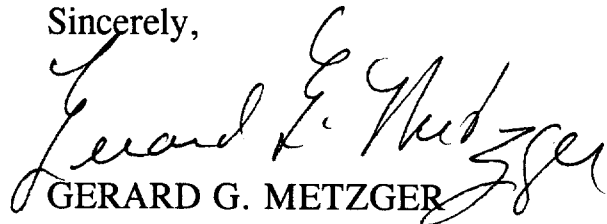
Would you please provide this advisory opinion to the FAA attorneys who are reviewing the Preliminary Application filed by the Board for participation in the FAA Airport Privatization Pilot Program.

Kevin Willis
U.S. Department of Transportation
Office of Airport Safety and Standards
January 19, 2001
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A review of my file indicates that this is the remaining, outstanding matter necessary for processing the Board's Application. If you need anything further, however, please advise me at your earliest convenience. My client is moving forward with its privatization project and approval of this application is extremely important to the success of this privatization project.

With kindest personal regards, I am

Sincerely,



GERARD G. METZGER

GGM/scd
Enclosure

cc: David L. Bennett, Director, Office of Airport Safety and Standards
Steve Steckler, President, IMG, Inc.
J. E. Murdock, III, Esq., Shaw Pittman
Hon. James P. Huey, President, OLD
Hon. Gen. James E. Livingston, Commissioner, OLD
Hon. Robert E. Smith-Lupo, Commissioner, OLD
Hon. Marlin N. Gusman, Commissioner, OLD
Hon. Patricia W. Harris, Commissioner, OLD
Max L. Hearn, Executive Director, OLD
Randolph Taylor, Aviation Director, OLD
Gary G. Benoit, Esq., Senior Legal Counsel, OLD



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Honorable James P. Huey, President
Board of Commissioners of the
Orleans Levee District
Suite 202 - Administrative Bldg.
New Orleans, Lakefront Airport
New Orleans, LA 70126

RE: LEASE OF LAKEFRONT AIRPORT

Dear President Huey:

This responds to the request, through counsel, for an informal advisory opinion as to the authority of the Board of Commissioners of the Orleans Levee District ("OLD") to lease the land and facilities of the New Orleans Lakefront Airport. This informal opinion will address state law issues pertaining to the proposal to lease the Lakefront Airport to a national or international company with solid resources and reputation that will have a positive effect on the fiscal condition of the OLD and will not address issues arising under federal law.

As we understand the proposal, the Louisiana Department of Transportation and Development ("LADOTD") and the Office of the Governor are concerned that the Lakefront Airport remain a public airport and that the aviation authority remain under the control of the LADOTD. Under these conditions, LADOTD and the Governors Office are supportive of the proposal going forward.

It is our understanding that the OLD issued a Request For Proposals during May, 2000, to five qualified bidders, along with a draft of the proposed Lease Agreement to suggest the type of agreement that the OLD has in mind for privatizing the Lakefront Airport.

We understand that the intent of the draft lease is to require the private operator (Lessee) to comply with all applicable statutory requirements, including the public use requirements under La. R.S. 38:336, as well as the assumption of all current leases on the airport.

Presently, the OLD would like to commence negotiations with the responsive bidders, raising the question of whether the OLD must comply with public advertisement and competitive bidding procedures when leasing property such as the Lakefront Airport.

Honorable James P. Huey, President
Board of Commissioners of the
Orleans Levee District
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We have reviewed the legal opinion of July 23, 1998 by attorneys Emile W. Schneider and Gerard G. Metzger, Special Counsel to the OLD, and agree with the background, citations of authority and findings therein. Particularly, as regards the public advertisement and competitive bidding procedures provided by law, we agree with the analysis provided on Page 3 and following of that opinion letter. The Louisiana Supreme Court case of *Arnold, et al. v. Board of Commissioners of the Orleans Levee District*, 366 So.2d 1321 (La. 1978) confirmed the authority of the OLD to lease reclaimed lake property without compliance with the provisions of the Louisiana Public Lease Law, La. R.S. 41:1211.

Further, as cited on Page 4 of the Opinion, La. R.S. 38:336 authorizes the OLD to "sell, lease, or otherwise dispose of such portion of the lands reclaimed and other property acquired for the purpose of the improvement, except the lands herein required to be dedicated by it for public use, * * * notwithstanding the provisions of R.S. 38:302, R.S. 38:320, and R.S. 38:321" pertaining to the leasing of lands by the various levee districts. R.S. 38:302 pertains to advertising and bidding requirements for the sale or lease of lands; and R.S. 38:320 pertains to the advertising and bidding requirements found in R. S. 38:2211 et seq. and R.S. 38:321.

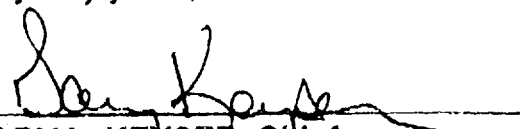
As further explored in the opinion of July 23, 1998, the OLD does not appear to be constrained or limited by the statutory provisions of the Louisiana Uniform Airport Law, La. R.S. 2:131 et seq., or the Airport Authorities Law, R.S. 2:601 et seq., inasmuch as the Lakefront Airport was not established pursuant to this law, but originated pursuant to the authority of XVI, § 7 of the Louisiana Constitution of 1921, as amended in 1922 and 1928, which conferred broad powers on the OLD to develop the area of reclamation upon which the Lakefront Airport is located. These provisions have been carried forward into the statutes under the authority of Article XIV, § 16 (A)(12) of the Louisiana Constitution of 1974.

Accordingly, the restrictions of those statutes would not appear to impose any restrictions or constraints on the OLD in its authority to enter into a lease of the Lakefront Airport pursuant to the authority of La. R.S. 38:336 (A), subject to the conditions, limitations and reservations contained therein for public use. The proposed lease of the Airport would therefore require that the Lessee keep the Airport open for public use, as required by La. R.S. 38:336.

Honorable James P. Huey, President
Board of Commissioners of the
Orleans Levee District
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We hope that this advisory opinion is of assistance and if we may be of further help, please call upon us.

Very truly yours,


GARY L. KEYSER, Chief
Lands & Natural Resources Section

GLK/tp